
Health Care & Wellness Committee

HB 1655

Brief Description: Concerning provider contract compensation.

Sponsors: Representatives Harris and Stonier.

Brief Summary of Bill

- Requires increases in provider compensation commensurate with increases in the consumer price index for contracts entered into between a health carrier and a health care provider who is not employed or affiliated with a hospital.

Hearing Date: 2/10/23

Staff: Ingrid Lewis (786-7293).

Background:

Provider Contracts.

Health carriers enter into contracts with health care providers that define and explain a provider's reimbursement arrangement for delivering health care services rendered to enrollees of a health plan. Provider contracts must identify the network or networks to which the contract applies. Health carriers are required to file provider contracts with the Office of the Insurance Commissioner (OIC) 30 calendar days before use. When a carrier and a provider negotiate a contract that deviates from the filed agreement, the carrier must also file that specific contract 30 days before use. A provider contract and its related compensation agreements are deemed approved if the Insurance Commissioner does not disapprove them within the 30-day period; the Insurance Commissioner may extend the 30-day period by 15 days.

Consumer Price Index.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Consumer price index (CPI) is an index prepared and published by the Bureau of Labor Statistics of the US Department of Labor which measures average changes in prices of goods and services. It is used to illustrate the extent that prices have risen or the amount of inflation that has taken place.

Summary of Bill:

Compensation provisions in a provider contract between a health care provider not employed or affiliated with a hospital and a health carrier for health care services must include an increase in compensation from the previous year that reflects increases in the CPI for all urban consumers over the previous year. The provisions are applicable to private health plans issued or renewed on or after January 1, 2024.

The OIC is authorized to adopt rules which must reflect standards used to determine increases in inflation in the qualifying payment amount under the federal No Surprises Act.

Appropriation: None.

Fiscal Note: Requested on February 2, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.